

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	<i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i> BORROWER NAME RT Communications, Inc. (Prepared with Audited Data)	
INSTRUCTIONS- Submit report to RUS within 30 days after close of the period. or detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	PERIOD ENDING December, 2014	BORROWER DESIGNATION WY0519

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.
ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII
(Check one of the following)

☐ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	2,209,868	2,963,058	25. Accounts Payable	997,508	998,828
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments	525,428	527,222
a. Telecom, Accounts Receivable			28. Customer Deposits	39,562	42,470
b. Other Accounts Receivable	1,007,341	663,699	29. Current Mat. L/T Debt	4,371,859	3,905,547
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	976,495	930,646	32. Income Taxes Accrued	0	
b. Other Accounts Receivable	590,919	317,936	33. Other Taxes Accrued	414	996
c. Notes Receivable			34. Other Current Liabilities	215,996	218,062
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	6,150,767	5,693,125
6. Material-Regulated	1,030,687	924,341	LONG-TERM DEBT		
7. Material-Nonregulated	16,539	30,192	36. Funded Debt-RUS Notes	4,474,165	2,882,060
8. Prepayments	107,507	106,158	37. Funded Debt-RTB Notes	1,658,059	1,185,151
9. Other Current Assets			38. Funded Debt-FFB Notes	15,575,549	13,981,212
10. Total Current Assets (1 Thru 9)	5,939,356	5,936,030	39. Funded Debt-Other	5,683,544	4,732,632
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Recquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development	2,189,514	2,187,842	46. Total Long-Term Debt (36 thru 45)	27,391,317	22,781,055
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities	2,303,041	2,318,021
15. Deferred Charges			48. Other Deferred Credits	2,761,170	4,150,841
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	2,189,514	2,187,842	50. Total Other Liabilities and Deferred Credits (47 thru 49)	5,064,211	6,468,862
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-In-Service	147,558,684	148,191,215	51. Cap. Stock Outstand. & Subscribed	100	100
19. Property Held for Future Use			52. Additional Paid-in-Capital	11,099,900	11,099,900
20. Plant Under Construction	1,734,791	2,373,227	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill	21,135,752	21,135,751	54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	128,143,288	132,383,879	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	42,285,939	39,316,314	56. Patronage Capital Credits		
TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	708,514	1,397,144
			58. Total Equity (51 thru 57)	11,808,514	12,497,144
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	50,414,809	47,440,186
	50,414,809	47,440,186			

Total Equity = 26.34% % of Total Assets

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		WY0519	
		PERIOD ENDING	
INSTRUCTIONS- See RUS Bulletin 1744-2		December, 2014	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM		PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		4,694,657	4,577,500
2. Network Access Services Revenues		11,209,697	10,734,146
3. Long Distance Network Services Revenues			
4. Carrier Billing and Collection Revenues		96,423	91,963
5. Miscellaneous Revenues		295,173	450,257
6. Uncollectible Revenues		3,604	433
7. Net Operating Revenues (1 thru 5 less 6)		16,292,346	15,853,433
8. Plant Specific Operations Expense		4,556,456	4,300,872
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		1,225,791	1,236,607
10. Depreciation Expense		5,084,427	-5,773,634
11. Amortization Expense		0	0
12. Customer Operations Expense		1,218,839	1,047,737
13. Corporate Operations Expense		2,099,326	1,911,456
14. Total Operating Expenses (8 thru 13)		14,184,839	14,270,306
15. Operating Income or Margins (7 less 14)		2,107,507	1,583,127
16. Other Operating Income and Expenses			
17. State and Local Taxes		162,690	138,410
18. Federal Income Taxes		1,041,320	1,472,806
19. Other Taxes			
20. Total Operating Taxes (17+18+19)		1,204,010	1,611,216
21. Net Operating Income or Margins (15+16-20)		903,497	(28,089)
22. Interest on Funded Debt		1,072,414	995,405
23. Interest Expense - Capital Leases			
24. Other Interest Expense		655	811
25. Allowance for Funds Used During Construction		35,336	10,462
26. Total Fixed Charges (22+23+24-25)		1,037,733	985,754
27. Nonoperating Net Income		(22,422)	1,704,155
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income		1,250,242	1,294,884
31. Total Net Income or Margins (21+27+28+29+30-26)		1,093,584	1,985,196
32. Total Taxes Based on Income		138,060	1,670,567
33. Retained Earnings or Margins Beginning-of-Year		(2,726,178)	708,514
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)		0	0
36. Dividends Declared (Preferred)			
37. Other Debits Year-to-Date		(2,341,108)	1,296,566
38. Transfers to Patronage Capital			
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		708,514	1,397,144
40. Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-of-Year (40+41-42)		0	0
44. Annual Debt Service Payments		11,919,821	5,076,572
45. Cash Ratio [(14+20-10-11) / 7]		0.6325	0.6376
46. Operating Accrual Ratio [(14+20+26) / 7]		1.0082	1.0640
47. TIER [(31+26) / 26]		2.0538	3.0139
48. DSCR [(31+26+10+11) / 44]		0.6054	1.7225

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INSTRUCTIONS - See RUS Bulletin 1744-2

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Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Albin	23.99	23.99	48 ✓	148 ✓	196	269.00	68.00
Burns	23.99	23.99	118 ✓	296 ✓	414	328.00	82.00
Carpenter	23.99	23.99	30 ✓	147 ✓	177	182.00	52.00
Gas Hills	23.99	23.99	2 ✓	1 ✓	3	82.00	55.00
Hulett	23.99	23.99	183 ✓	414 ✓	597	543.00	102.00
Jeffery City	23.99	23.99	30 ✓	37 ✓	67	138.00	13.00
Kaycee	23.99	23.99	102 ✓	256 ✓	358	293.00	124.00
Midwest	23.99	23.99	128 ✓	148 ✓	276	338.00	118.00
Moorcroft	23.99	23.99	195 ✓	491 ✓	686	343.00	81.00
Newcastle	23.99	23.99	745 ✓	1,568 ✓	2,313	786.00	273.00
Osage	23.99	23.99	23 ✓	135 ✓	158	93.00	6.00
Pine Bluffs	23.99	23.99	224 ✓	384 ✓	608	231.00	47.00
Shoshoni	23.99	23.99	173 ✓	174 ✓	347	269.00	76.00
Thermopolis	23.99	23.99	668 ✓	929 ✓	1,597	350.00	93.00
Worland	23.99	23.99	1,292 ✓	1,499 ✓	2,791	525.00	163.00
Upton	23.99	23.99	152 ✓	425 ✓	577	318.00	177.00
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			4,113 ✓	7,052 ✓	11,165 ✓	5,088.00 ✓	1,510.00 ✓
No. Exchanges	16 ✓						

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Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

Details on Least Expensive Broadband Service

EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Albin	185 ✓	142 ✓	0	384	256	23.95	StandAlone	DSL
Burns	400 ✓	248 ✓	0	384	256	23.95	StandAlone	DSL
Carpenter	180 ✓	103 ✓	0	384	256	23.95	StandAlone	DSL
Gas Hills	3 ✓	1 ✓	0	384	256	23.95	StandAlone	DSL
Hulett	590 ✓	260 ✓	1	384	256	23.95	StandAlone	DSL
Jeffery City	60 ✓	21 ✓	0	384	256	23.99	StandAlone	DSL
Kaycee	338 ✓	231 ✓	0	384	256	23.99	StandAlone	DSL
Midwest	263 ✓	150 ✓	0	384	256	23.99	StandAlone	DSL
Moorcroft	670 ✓	393 ✓	0	384	256	23.99	StandAlone	DSL
Newcastle	2,180 ✓	1,387 ✓	1	384	256	23.99	StandAlone	DSL
Osage	148 ✓	101 ✓	0	384	256	23.99	StandAlone	DSL
Pine Bluffs	580 ✓	353 ✓	2	384	256	23.99	StandAlone	DSL
Shoshoni	354 ✓	166 ✓	0	384	256	23.99	StandAlone	DSL
Thermopolis	1,613 ✓	742 ✓	1	384	256	23.99	StandAlone	DSL
Worland	2,770 ✓	1,290 ✓	2	384	256	23.99	StandAlone	DSL
Upton	531 ✓	381 ✓	1	384	256	23.99	StandAlone	DSL
Total	10,865 ✓	5,969 ✓	8 ✓					

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PART D. SYSTEM DATA

1. No. Plant Employees	26	2. No. Other Employees	38	3. Square Miles Served	9,799	4. Access Lines per Square Mile	1.14	5. Subscribers per Route Mile	2.19
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PART E. TOLL DATA

1. Study Area ID Code(s) a. 512251 ✓ b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one)	
	Interstate:	<input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis
	Intrastate:	<input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	0
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	2,135,316
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	2,135,316

PART G. INVESTMENTS IN AFFILIATED COMPANIES

INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year (b)	Income/Loss This Year (c)	Cumulative Investment To Date (d)	Cumulative Income/Loss To Date (e)	Current Balance (f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					

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PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)



YES



NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	20.00%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	14.00%
4. Land and support assets - Garage and other work equipment	3.50%
5. Land and support assets - Buildings	3.50%
6. Land and support assets - Furniture and Office equipment	20.00%
7. Land and support assets - General purpose computers	20.00%
8. Central Office Switching - Digital	12.00%
9. Central Office Switching - Analog & Electro-mechanical	11.75%
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	11.75%
13. Information origination/termination - Station apparatus	11.62%
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	19.32%
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	9.84%
19. Cable and wire facilities - Aerial cable - Metal	7.08%
20. Cable and wire facilities - Aerial cable - Fiber	6.00%
21. Cable and wire facilities - Underground cable - Metal	6.00%
22. Cable and wire facilities - Underground cable - Fiber	6.00%
23. Cable and wire facilities - Buried cable - Metal	6.00%
24. Cable and wire facilities - Buried cable - Fiber	6.00%
25. Cable and wire facilities - Conduit systems	6.00%
26. Cable and wire facilities - Other	6.00%

USDA-RUS		BORROWER DESIGNATION WY0519	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		PERIOD ENDED December, 2014	
INSTRUCTIONS – See help in the online application.			
PART I – STATEMENT OF CASH FLOWS			
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		2,209,868
CASH FLOWS FROM OPERATING ACTIVITIES			
2.	Net Income		1,985,196
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
3.	Add: Depreciation		5,773,634
4.	Add: Amortization		0
5.	Other (Explain)		
Changes in Operating Assets and Liabilities			
6.	Decrease/(Increase) in Accounts Receivable		662,474
7.	Decrease/(Increase) in Materials and Inventory		92,693
8.	Decrease/(Increase) in Prepayments and Deferred Charges		1,349
9.	Decrease/(Increase) in Other Current Assets		0
10.	Increase/(Decrease) in Accounts Payable		1,320
11.	Increase/(Decrease) in Advance Billings & Payments		1,794
12.	Increase/(Decrease) in Other Current Liabilities		2,648
13.	Net Cash Provided/(Used) by Operations		8,521,108
CASH FLOWS FROM FINANCING ACTIVITIES			
14.	Decrease/(Increase) in Notes Receivable		0
15.	Increase/(Decrease) in Notes Payable		0
16.	Increase/(Decrease) in Customer Deposits		2,908
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		(5,076,574)
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits		1,404,651
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		0
20.	Less: Payment of Dividends		0
21.	Less: Patronage Capital Credits Retired		0
22.	Other (Explain) Change in Pension Liability		(2,341,108)
23.	Net Cash Provided/(Used) by Financing Activities		(6,010,123)
CASH FLOWS FROM INVESTING ACTIVITIES			
24.	Net Capital Expenditures (Property, Plant & Equipment)		(1,270,967)
25.	Other Long-Term Investments		1,672
26.	Other Noncurrent Assets & Jurisdictional Differences		0
27.	Other (Explain) Additional Capital Expense		(488,500)
28.	Net Cash Provided/(Used) by Investing Activities		(1,757,795)
29.	Net Increase/(Decrease) in Cash		753,190
30.	Ending Cash		2,963,058

Revision Date 2010

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INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2014
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

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INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2014
CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	